



**Opening Statement of Rep. Virginia Foxx (R-NC)
Republican Leader, Committee on Education and Labor
Markup of H.R. 582, the *Raise the Wage Act*
Wednesday, March 6, 2019**

What happened to liberal pragmatism? Truly, I'm asking: what happened to it? In the past, I could appreciate the positions of my colleagues across the aisle, and I understood their reasoning for much of the legislation they proposed. I disagreed with many of those proposals, but the arguments followed some degree of logic.

There is no logic in this legislation. We're here to mark up a socialist campaign talking point.

This proposal defies all logic put forward by our last two Democratic presidents. During President Clinton's presidency, his entire economic team advised him against a 40 percent increase to the minimum wage (far short of the 107 percent increase being proposed today) because it would "prove damaging to the employment prospects of low-skilled workers, as well as to the general macroeconomic performance of the economy."

To be clear: "low-skilled" was their term, not mine. The workforce needs skills of all levels and specialties now more than ever, which is why shutting anyone out of the workforce is simply unthinkable.

When the \$15 an hour federal minimum wage talking point began to generate a headline buzz, the chairman of President Obama's Council of Economic Advisers, Princeton economist Alan Krueger, warned that the proposal would "risk undesirable and unintended consequences."

Going from a \$7.25 an hour federal minimum wage to a \$15 an hour minimum wage is, at best, a foolish policy proposal. At worst, it's an intentionally dishonest political stunt that promises bigger paychecks to hardworking Americans when in reality it would result in significant job losses for millions of hourly workers around the country. The workers this bill would hurt the most are those who develop their skills as they spend more time on the job, such as workers without a GED or skills certificate, as well as tipped employees who, as a rule, make more with tips than they would with a mandated \$15 an hour minimum wage.

Every decision this body makes has real world trade-offs. Every action has a reaction, and this action would decimate so much of the economic progress achieved under united Republican leadership.

H.R. 582 will hammer small businesses and mom and pop shops. It will push hundreds of thousands of able-bodied, talented individuals out of the workforce over the next decade. It will result in millions of jobs being eliminated for vulnerable members of the workforce like single working moms, workers without a high school diploma, and entry-level employees. Those most likely to benefit are big corporations and skilled workers – corporations because they can absorb the added cost and skilled workers because they are in-demand employees.

H.R. 582 is a bad bill, plain and simple. There are many, many ways to encourage wage growth for workers – as we've seen over the past two years – without resorting to a federal mandate that will inflict misery on just as many people as it marginally helps.

In an interview, President Obama's Federal Reserve Chair Janet Yellen said, "Real wage growth will be faster in a tight labor market. So disadvantaged workers gain on the employment and the wage side, and to my mind, that's clearly a good thing."

These are the facts: the U.S. job market and economy are thriving. The economy has added jobs for 100 consecutive months, with millions of new jobs since Donald Trump was elected president.

Unemployment recently hit its lowest point in 49 years. Wages are up and showing sustainable, organic growth thanks to the Republican *Tax Cuts and Jobs Act*. The percentage of workers making at or below minimum wage is just 2.3 percent, and that percentage has been steadily falling each year since 2010.

In a special Wall Street Journal report from last week, nearly three-quarters of 166 business sectors they reviewed saw gains in employment *and* earnings last year. According to Labor Department data, median weekly earnings are up more than 30 percent for Latino and Asian workers since the end of 2007. Black and White workers have seen increases of more than 20 percent in weekly earnings over the same time period.

Instead of advancing a blatantly socialist bill, Members of this Committee can (and should!) push for higher wages for American workers through strong evidenced-based policymaking to strengthen the workforce and make this continued economic growth possible. I urge my colleagues to oppose H.R. 582.

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